

**MINUTES OF REGULAR MEETING
ILLINOIS GAMING BOARD
April 16, 2002
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

The Illinois Gaming Board ("Board") held its Regular Meeting on April 16, 2002 in the Auditorium on the 5th floor of the State of Illinois Building, Chicago, Illinois, pursuant to the Illinois Open Meetings Act, 5 ILCS 120/1 et seq.

The following Board Members were present: Chairman Gregory Jones and Members Ira Rogal, Elzie Higginbottom, and Tobias Barry.

Also in attendance were: Administrator Philip Parenti, Deputy Administrators Joseph Haughey, Allan McDonald, James Wagner, Chief Legal Counsel Mark Ostrowski, Deputy Chief Legal Counsel Jeannette Tamayo, and other members of the staff.

Chairman Jones convened the April 16, 2002 Regular Meeting at 9:40 A.M. in the 3rd floor Board Conference Room. Member Higginbottom moved **that the Board retire to Closed Session pursuant to Section 2(c), paragraphs (1), (11), (14), and (21) of the Open Meetings Act and Section 6(d) of the Riverboat Gambling Act to discuss the following subject matters:**

- 1. Pending litigation and matters involving probable litigation;**
- 2. Investigations concerning applicants and licensees;**
- 3. Personnel matters; and**
- 4. Closed session minutes.**

Member Rogal seconded the motion. The Board adopted the motion by unanimous consent and retired to closed session.

The Board convened its Open Session at 1:35 P.M.

Chairman Jones announced that Member Mariano became the President and CEO of Roundy's, Inc. Chairman Jones stated that because of Member Mariano's new duties associated with his new job, he was unable to continue his service on the Gaming Board, so he tendered his resignation to the Governor. Chairman Jones expressed his appreciation for Member Mariano's valuable service to the Board. Chairman Jones stated that Member Mariano's keen business insights and thoughtful ideas made him a valuable asset to the Board and will be sorely missed by the Board. On behalf of the Board, Chairman Jones wished Member Mariano well in his new endeavor.

Chairman Jones noted that the public agenda for the Board meeting is now more detailed. Chairman Jones stated that the Board is trying to provide more information on the agenda as to what is being discussed during the Closed Session of the Board meetings. Chairman Jones stated that there are still topics that cannot be disclosed on the agenda, but the Board's intent is to disclose as much as possible so the public has an idea of what is being discussed.

Administrator's Report

Administrator Parenti announced that Staff is going to hold a General Managers meeting and is now in the process of establishing a date. Administrator Parenti stated that the first General Managers meeting would be conducted differently from the previous General Managers meetings. Administrator Parenti stated that the first meeting would cover a wide range of topics including alcohol intake, contingency plans, patron complaints, security guard training, and criminal history disclosure. Administrator Parenti stated that there would be two special meetings to follow the first meeting – one will cover the issues concerning credit and self-exclusion, and the other meeting would cover issues concerning the “ticket in” and “ticket out” system and due-diligence.

Public Commentary

Susan S. Gouinlock, Legal Counsel, Illinois Casino Gaming Association, was present to present to the Board the Illinois Casino Gaming Association's Annual Report for the year 2001. Ms. Gouinlock stated that the report highlights the many positive benefits delivered by the casinos last year, and over the last ten years, and provides a ready source of information about the industry's on-going socially responsible initiatives. Ms. Gouinlock briefed the Board with some of the highlights covered in the report. Ms. Gouinlock stated that patronage generated \$555 million in gambling taxes, \$447 million of which went to the state. Ms. Gouinlock stated that on the local level, the casino industry continued to enable its host communities to improve the quality of life of their citizens. Ms. Gouinlock noted that last year the city of Joliet was able to spend \$8.5 million on its important neighborhood improvement program; Alton was able to repair old sidewalks with \$125,000 of its gambling tax receipts; and Kane County enjoyed \$12 million from the Grand Victoria for projects such as the preservation of farm lands in that fast developing county. Ms. Gouinlock noted the charitable and civic causes that received substantial support from Illinois casinos. Ms.

Gouinlock stated that Illinois casinos collectively committed more than \$35 million dollars in cash and in-kind contributions to charitable and civic causes across the state. Ms. Gouinlock stated that in addition to monetary contributions, casino employees donated their time and talents to improving their communities and helping those in need. Ms. Gouinlock pointed out that the public appreciation for high standards maintained by ICGA members is evident by the thousands of unsolicited letters received by casinos every year.

Joe Wiegand, Executive Director, Family Taxpayers Foundation, was present to discuss reports on Emerald's offer to pay the State of Illinois as much as \$300 million dollars to allow a "deal" with MGM. Mr. Wiegand stated that on January 30, 2001, the Board rightfully revoked the license of Emerald Casino based on evidence by staff that two proposed Emerald Casino shareholders have close associations with Chicago organized crime figures. Mr. Wiegand urged the Board to do the right thing and reject any plan to enrich, compensate, or "make whole" the gamblers who invested in Emerald Casino. Mr. Wiegand stated that having been revoked, the 10th license belongs to the taxpayers of Illinois as constituted by the government. Mr. Wiegand stated that the Board is the protector of the taxpayer's interest in the license. Mr. Wiegand asked the Board to maximize the license's value when the time comes to return the license to the market. Mr. Wiegand asked that the Board seek maximum return of the license via competitive auction. Mr. Wiegand stated that the spending problems of the State of Illinois have mistakenly become a factor used to pressure the Board to get the Rosemont casino deal done. Mr. Wiegand stated that the spending problems of Illinois government have nothing to do with a lack of revenue being produced by casino gambling in Illinois. Mr. Wiegand stated that Senate Bill 1017 needs to be revisited and corrected. Mr. Wiegand stated that the best solution would be Senate Bill 1800, which would require competitive bidding of the licenses as they come up for renewal.

Tom Grey, Executive Director, National Coalition Against Legalized Gambling, was present to discuss the proposed settlement. Mr. Grey stated that communities are already lining up to bid on the 10th license. Mr. Grey posed a question to the Board asking if communities and companies are bidding, how could the Board settle for a \$400 million dollar deal. Mr. Grey stated that Administrator Parenti has named himself as an "aggressive person." Mr. Grey stated that Administrator Parenti is aggressive, as well as persistent. Mr. Grey referred to a newspaper article that quoted Administrator Parenti saying that "neither federal investigations nor political promises are going to stop the Illinois Gaming Board from considering all options." Mr. Grey questioned the "all-options" part of the quote. Mr. Grey stated that Governor Ryan appoints the Board and the Administrator, and in doing so the Governor actively intervenes in the regulatory process. Mr. Grey stated that if there are subpoenas and lawsuits, why would the Board as a regulatory body "let the dust settle." Mr. Grey stated that he feels that there is a "push" to make a settlement. Mr. Grey stated that the political process has been "corrupted," but he, as well as the citizens of Illinois, have worked hard so that the regulatory process would not be "corrupted." Mr. Grey stated that the public confidence and integrity is going to hinge on what the Board does with the "Emerald casino deal." Mr. Grey stated that before he became a minister, he gambled, and when he lost, he never asked for a fair return on his loss. Mr. Grey stated to the Board that if they make "the deal" with MGM, every patron that has ever lost on a riverboat in Illinois should be allowed

to speak during public commentary and ask for a return on their losses. Mr. Grey stated that what's fair for the customers, should be fair for the owners and the investors.

Gene Collins, National Action Network, was present to express NAN's concerns regarding MGM. Mr. Collins provided the Board with information regarding lawsuits against MGM regarding racial discrimination. Mr. Collins provided the Board with a newspaper article regarding an African American MGM employee who Mr. Collins claims was wrongfully fired from his job. Mr. Collins stated that African Americans spend \$2 billion dollars a year in Las Vegas. Mr. Collins stated that of that \$2 billion dollars, MGM gets the "lion share." Mr. Collins stated that out of the \$2 billion dollars, not one nickel is returned to the African American community. Mr. Collins stated that if the Board approves a settlement between Emerald and MGM, not one African American would benefit. Mr. Collins stated that there are no provisions in the settlement that would allow African Americans to participate. Mr. Collins stated that the only people who would benefit from the deal are corporate people. Mr. Collins stated that MGM spent over \$400 million dollars last year, and out of that only \$754,000 dollars were spent on African American vendors and contractors. Mr. Collins stated that he feels that the Board should not reward a company such as MGM for doing what he feels is wrong. Mr. Collins stated that the Board has an obligation to protect the citizens of Illinois.

Rev. Chester M. Richardson, was present to discuss the proposed settlement between Emerald Casino and MGM. Rev. Richardson confessed that he is not knowledgeable about the complexities of the Emerald Casino "fiasco;" however, he is concerned about the possible solutions that the Board might look at when resolving the Emerald issue, particularly if it effects his community of interest and the people that he advocates for. Rev. Richardson urged the Board to consider all of the options that are available to them and not go blindly into anything without considering all that is presented to them. Rev. Richardson stated that the investor are personally trembling with fear at the potential loss of their investment, while the MGM Mirage is excited about the idea of having a major stake in Illinois without having to face competition. Rev. Richardson stated that their fortune to do so would be at the misfortune of the investors. Rev. Richardson asked that if in fact the Board is going to reconsider any proposal from MGM, that the Board should look carefully at the issues that are facing that corporation in other jurisdictions. Rev. Richardson asked that if the Board is going to reconsider any proposals from MGM, that the Board should require MGM to answer to all of the allegations that were mentioned by Mr. Gene Collins, National Action Network. Rev. Richardson stated that he has a nice rapport with many members of the MGM Mirage Corporation; however, it does not negate the concerns that have been raised. Rev. Richardson requested an opportunity to present his concerns regarding MGM to IGB staff and the Board at a later time so that in the event that the Board chooses to reconsider any proposal, the Board would be able to determine if MGM merits further investigation.

Phyllis James, Senior Vice President and Senior Counsel, MGM Mirage Corporation, was present to express exception to the “campaign of disparagement and distortion” against MGM by Mr. Gene Collins and his colleagues of the National Action Network. Ms. James stated that in appearances before the Nevada Gaming Board and the Nevada Gaming Commission, Mr. Collins, with current and former employees, have charged MGM Mirage with systematic employment discrimination against African Americans and women, and failure to do sufficient business with African American and other minority companies. Ms. James stated that the accusations made by the National Action Network are false. Ms. James stated that MGM is a law-abiding company in all aspects of business operations, and has had an exemplary record of corporate citizenship and support of the communities, including the minority community. Ms. James stated that out of nearly 41,000 employees, 49.98% are minority and 49.96% are white. Ms. James stated that women comprise 50.75% and men 49.25% of MGM’s workforce. Ms. James noted that in May 2000, MGM Mirage formalized a voluntary comprehensive and multi-faceted diversity initiative – the first of its kind in the industry. Ms. James stated that in the area of employment and human resources, MGM is working to achieve greater minority and female participation in areas of the company, such as management, through enhanced recruitment, better internal leadership development and promotion, and company-wide diversity training. Ms. James stated that MGM requires that general contractor bids for all major new construction and renovation work includes participation by minority or women-owned businesses. Ms. James stated that MGM is working to redirect its charitable support to organizations and programs which reflect and advance its diversity objective. Ms. James provided the Board with MGM’s publication, “United Through Diversity”, which describes the company’s diversity initiative and presents MGM’s Annual Diversity Report for 2001. Ms. James asked that the Board not be distracted by the comments made by the National Action Network. Ms. James stated that in other gaming jurisdictions, MGM Mirage has earned an excellent reputation as a reputable licensee, as the leader in the gaming industry, and as a staunch community supporter.

Connie Payton, minority investor in Emerald Casino, was present to discuss Emerald casino. Ms. Payton, secretary of a committee comprised of the majority of the legally-mandated minority and female group of Emerald’s shareholders, read a letter, which was written by the committee and sent to each Board member. The letter urges the Board to reach an equitable settlement with Emerald Casino. Ms. Payton also commented on the due diligence that the committee performed when they were advised that Emerald Casino was seeking a buyer. Ms. Payton noted that Emerald’s statutory minority and female shareholders own only 20% of Emerald’s outstanding stock and have not had any representation on Emerald’s board of directors. Ms. Payton stated that the shareholders have never been involved in Emerald’s management, nor were they involved in the decision to sell Emerald or to whom it would be sold. Ms. Payton stated that when the shareholders were informed that Emerald had employed a nationally recognized investment banking firm to conduct a public bidding process, the shareholders immediately began an extensive due diligence investigation of the gaming companies that had entered the bidding process. Ms. Payton stated that the shareholder’s due diligence focused on a variety of factors including financial considerations,

overall reputation in the gaming industry, and reputation with local investors. Ms. Payton stated that the shareholders were pleased when they were informed that MGM Mirage was selected as the winner of the public bidding process. Ms. Payton stated that the shareholders were repeatedly told by a variety of independent sources, including a Las Vegas County commissioner, that MGM has an excellent management team whose integrity is irreproachable. Ms. Payton stated that members of the committee spoke with MGM's local investors in other jurisdictions to determine what type of relationship they could expect to have with MGM if it was allowed to purchase Emerald. Ms. Payton stated that the committee learned that MGM's local investors in each jurisdiction that was researched enjoyed an excellent relationship with MGM. Ms. Payton stated that the committee is pleased with the decision of MGM and feels that no other gaming company would be a better choice. Ms. Payton stated that the committee looks forward to seeing a settlement between Emerald and the Gaming Board as soon as possible.

Owner Licensee Items

EMERALD CASINO, INC. – INFORMATIONAL PRESENTATION – Barry Montgomery, Attorney, was present to request that the Board give thoughtful and serious consideration to Emerald's proposal to settle all litigation between Emerald, its shareholders, and the Illinois Gaming Board. Mr. Montgomery read a proposal on behalf of Emerald Casino and its shareholders. The proposal included the following: The sale by all Emerald shareholders of their interests in Emerald to MGM Mirage, subject to the Board's approval of MGM Mirage as an owner licensee; Relocation of the licensee to a new home dock located in Rosemont; A voluntary contribution of \$250 million dollars to the State of Illinois General Fund by Emerald; A personal contribution of \$50 million dollars to the State of Illinois General Fund by Donald and Kevin Flynn; An agreement by Emerald to prohibit anyone who has been identified as having connections or associations with known members and associates of organized crime from receiving any payment except reimbursement of any amounts previously paid for their shares. Mr. Montgomery stated that this settlement proposal unquestionably benefits the people of the State of Illinois, which is the expressed purpose of the Riverboat Gambling Act. Mr. Montgomery briefed the Board with the advantages of the settlement - \$300 million dollars paid to the State of Illinois and creation of an estimated 1,500 new jobs for Illinois citizens to name a few. Mr. Montgomery suggested that the Board look at the alternative to settlement, which is to take the matter all the way through the judicial process. Mr. Montgomery stated that both sides of a controversy have a legal right to due process of law. Mr. Montgomery stated that Emerald shareholders have a legal right to protect their property and to let the judicial process determine whether their property can legally be taken from them. Mr. Montgomery stated that the Gaming Board has the right to contest this matter to the end. Mr. Montgomery stated that if the Board takes a look at the alternative to settlement, it would be obvious as to why settlement in this instance makes more sense. Mr. Montgomery asked what the State would gain by a so-called "win" if the Board were successful in "stripping" Emerald and its shareholders of its license. Mr. Montgomery urged the Board to settle the matter.

EMERALD CASINO, INC. – SHAUN GAYLE – KEY PERSON – PRESENTATION – Shaun Gayle and Attorney John Dougherty were present to discuss the settlement proposal between Emerald and MGM Mirage. Mr. Gayle stated that he is in complete favor of a settlement. Mr. Gayle stated that he feels that a settlement proposal would be best for the minority shareholders as well as the state during this time of economic need; however, he can't understand why anyone would support the current structure of the proposal by MGM and Emerald. Mr. Gayle stated that some of his fellow minority shareholders have been led to believe that this proposal is the best possible deal. Mr. Gayle stated that it is his belief that the other minority shareholders have been convinced that this is the only deal, and that they take this deal or no deal at all and risk losing their entire investment. Mr. Gayle stated that he feels there is a resolution and a settlement that is fair and equitable, and the proposal by MGM and Emerald does not reflect that. Mr. Gayle stated that the proposal requires every Emerald shareholder to sell their shares to MGM, and then the minority shareholders, that were approved by the Board, could buy their shares back at a higher price. Mr. Gayle stated that it sounds like if he sells to MGM, he makes a profit, but if he decides to stay, he would take a loss. Mr. Gayle stated that the proposal would send \$300 million dollars to the state by way of fines or contributions. Mr. Gayle stated that he does not have any issues with the state making money; however, he does have an issue with the fact that out of the \$300 million dollars, \$250 million of it would be the responsibility of the company, which includes the minority shareholders, who have not been accused of any wrongdoing. Mr. Gayle stated that the proposal, to his knowledge, contains no indication that if a minority shareholder receives Gaming Board approval, they are guaranteed the opportunity to remain in the "deal." Mr. Gayle stated that if there is any one minority shareholder that has helped facilitate the proposal and is to be compensated, that information should be disclosed to the Gaming Board and the other minority shareholders. Mr. Gayle stated that he understands that the other minority shareholders are fearful of losing everything, but he stands to lose a lot as well. Mr. Gayle stated that there is a "higher cause" that he fear losing, and that is the level of minority participation, which is a first in the history of Illinois gaming. Mr. Gayle stated that any gaming company that would like to enter the Chicago market should address the issues that he has presented to the Board in a manner that is free of ambiguity, and if they don't, the Board should not consider that company a viable option.

Owner Licensees

ALTON GAMING COMPANY – REQUEST TO PERMANENTLY JOIN TWO BARGES AND REQUEST TO WAIVE TWO-MEETING REQUIREMENT – Susan Gouinlock, Attorney, Rich Laudon, General Manager, and Denny Crank, Facilities Manager, were present on behalf of Alton Gaming Company for approval to expand the barge on which gambling is currently being conducted and to waive the Board's two-meeting requirement. Ms. Gouinlock stated that prior to the July 1999 legislative amendment that permitted gambling on barges, Alton Belle used a vessel for gambling and had all of its other facilities on a barge platform, which consists of four barges. Ms. Gouinlock stated that in December of 1999, Alton obtained approval from the Board, via Mr. Acosta, former Administrator to

the Gaming Board, to reconfigure the barge facility and to pull out two of the smaller barge components and replace it with large barge components. Ms. Gouinlock stated that Alton is seeking approval for the two large barge components to be joined together, making them a single gaming facility, under the guidelines of the Office of the State Fire Marshall.

Chairman Jones asked that Ms. Gouinlock explain how the two barges are going to be joined. Ms. Gouinlock stated that the four barges are joined with massive steel cable. Ms. Gouinlock stated that a navel architect designed the barge platform for Alton, and that it has been approved by the Office of the State Fire Marshall as a safe barge platform for years. Ms. Gouinlock stated that it was only in the July 2001 guidelines for adjoining vessels or barges for gaming purposes that the State Fire Marshall came up with the idea that there needs to be more rigidity to the platform.

Mr. Crank explained to Chairman Jones, in greater detail, the structure of the two barges. Chairman Jones asked if the State Fire Marshall has approved the procedures. Mr. Crank stated that the State Fire Marshall has a copy of the plans, and that a consultant has been in contact with the Fire Marshall who says that he will approve the plans, but only when the barge is completed to his satisfaction. Chairman Jones asked when Mr. Crank plans to undertake the project. Mr. Crank stated that he has the materials on hand and that he could start the first of next week. Mr. Crank stated that the project would take 6-8 weeks to complete.

Member Higginbottom asked if the State Fire Marshall has approved the plans subject to proper construction. Mr. Crank stated that the Fire Marshall said that he will only approve the project once the welding is complete and in accordance with the plans that he has on his desk. Mr. Crank stated that he has no reason to believe that his staff and himself would not comply with the plans.

Member Higginbottom asked what Argosy proposes to do if once the project is complete and the State Fire Marshal does not approve it. Mr. Crank stated that if the Fire Marshall does not approve it, he would modify it to the Fire Marshall's requirements.

Based on staff's recommendation, Member Higginbottom moved that **the Board waive the requirement of Board Rule 105(e) and permit Alton Gaming Company to present today for final Board action its request to permanently join two barges to become one barge.**

Based on a review of staff's investigation and recommendation, Member Higginbottom moved that **the Board initially approve Alton Gaming Company's request to permanently join two barges.**

Member Higginbottom further moved **that the Board delegate to the Administrator under Board Rule 3000.230(d)(2) final approval of the project subject to Alton Gaming Company's periodically, as directed by staff, updating the Board on the progress of the project and confirming approval of its project from the State Fire Marshal and other**

appropriate authorities. Member Rogal seconded the motion. The Board approved the motion unanimously by voice vote.

BOYD GAMING CORPORATION – REFINANCING OF SENIOR DEBT – Donna More was present on behalf of Boyd Gaming Corporation to request initial consideration for refinancing of Boyd’s senior debt. Ms. More stated that Boyd is in the process of looking to refinance its current credit facility. Ms. More stated that Par-A-Dice is currently a guarantor of Boyd’s credit facility, and would be a guarantor of the new credit facility. Ms. More stated that Boyd has submitted the initial term sheets to Staff for review and is in the process of getting draft documents to Staff, which further details the proposal.

Member Rogal requested that Boyd submit further documents in a sufficient time so that the Board could review the documents prior to the next meeting without being rushed. Ms. More stated that she would make sure the documents are submitted in an sufficient amount of time.

Suppliers Licensees

GEORGE C. MATTESON, INC. – LICENSE RENEWAL – Jason Fitzhugh, Director of Sales, was present on behalf of George C. Matteson, Inc. to request license renewal.

Based on a review of staff’s investigation and recommendation, Member Rogal moved that **the Board approve the Supplier’s license of George C. Matteson, Inc. for a term of 4 years expiring 2006.**

Member Rogal further moved that **the Board certify and approve the following positions, entity and individuals as Key Persons of the licensee:**

1. Chief Operating Officer;
2. Chief Executive Officer;
3. F & F Holding, Inc.;
4. Thomas E. Baranowski; and
5. Curtis L. Fitzhugh.

Member Rogal further moved that **the Board authorize George C. Matteson to manufacture, sell or lease the following products in the State of Illinois:**

1. Playing Cards;
2. Table Game Layouts: Baccarat, Mini-baccarat, Blackjack, Caribbean Draw Poker, Caribbean Stud Poker, Craps, Let It Ride Poker, Let It Ride Bonus, Multi-Action Blackjack, Poker, Roulette, Royal Match 21, Single Hand 21, Spanish 21, Three Card Poker, and War.
3. “The Attendant TM” Automatic Hopper Fill System.

Member Barry seconded the motion. The Board approved the motion unanimously by voice vote.

WMS GAMING, INC., BRIAN R. GAMACHE, PRESIDENT AND CEO – KEY PERSON – Joseph Lamendella, Attorney, was present on behalf of Brian R. Gamache to request approval as Key Person.

Based on a review of staff's investigation and recommendation, Member Higginbottom moved that **the Board approve Brian R. Gamache as a Key Person of WMS Gaming, Inc.** Member Barry seconded the motion. The Board approved the motion unanimously by voice vote.

Occupational Licensees

Based on staff's investigation and recommendation, Member Rogal moved that **the Board approve 122 applications for an Occupational License Level 2 and 270 applications for an Occupational License Level 3.**

Member Rogal further moved that **the Board direct the Administrator to issue Notices of Denial to the following three applicants for Level 2 and Level 3 licenses, each of whom previously received notice that staff intended to recommend denial and either did not respond or provide additional information to rebut that recommendation:**

1. Pamela K. White;
2. Rhonda L. St. Dennis; and
3. Shadell Archie.

Member Barry seconded the motion. The Board approved the motion unanimously by voice vote.

Disciplinary Complaints

IN RE THE DISCIPLINARY COMPLAINT OF PDS GAMING CORPORATION - For the reasons stated by staff, Member Higginbottom moved that **the Board issue a Disciplinary Complaint against PDS Gaming Corporation for its failure to timely file a 4th quarter 2001 supplier report in violation of section 8(e) of the Riverboat Gambling Act.**

Member Higginbottom further moved that **the Board impose a fine of \$ 1,500.00 on PDS Gaming Corporation, said action to take effect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.** Member Barry seconded the motion. The Board approved the motion unanimously by voice vote.

IN RE THE DISCIPLINARY ACTION OF JAMES R. MASON III - Based on a review of staff's investigation and recommendation, Member Higginbottom moved that **the Board issue a Disciplinary Complaint against James R. Mason III, a Level 2 Occupational Licensee, for failing to comply with the Act and Board Rules in relation to his December 27, 1999 felony conviction.**

Member Higginbottom further moved that **the Board revoke Mr. Mason's Occupational License. Said action to take affect twenty-one (21) days from the date of service of this complaint unless the licensee files an Answer within that time period.** Member Barry seconded the motion. The Board approved the motion unanimously by voice vote.

Administrative Hearing/ALJ Report

IN RE THE DISCIPLINARY ACTION OF PATRICK J. GIANFORTE - Based on a thorough review of the record and report of proceedings and evidence before Administrative Law Judge Shapiro in the Matter of Patrick Gianforte, DC-00-05, Member Rogal moved that **the Board adopt and issue the proposed Final Order, incorporating the Recommended Decision and Additional Findings of Fact and Conclusions of Law, as the Board's Final Administrative Decision in this matter.**

Member Rogal further moved that **the Board direct the Administrator to provide a copy of the Board's Decision to the parties and the ALJ, and include therein a notice to Mr. Gianforte of his right to appeal the Board's Decision to the circuit court within 35 days from the date said Decision is served.** Member Barry seconded the motion. The Board approved the motion unanimously by voice vote.

IN RE THE DISCIPLINARY ACTION OF ELGIN RIVERBOAT RESORT D/B/A GRAND VICTORIA CASINO, PETE DOMINGUEZ, SCOTT ENSLIN AND EDWARD CISOWSKI. NO. DC-01-08 - Based on staff's recommendation, Member Higginbottom moved that **the Board accept the proposed settlement agreements pertaining to Scott Enslin and delegate to the Administrator the authority to execute such agreement.**

Member Higginbottom further moved that **the Board authorize legal counsel to present the settlement agreement to Administrative Law Judge Patricia Holland for disposition of this matter, as it pertains to the individual petitioner only, in accordance with the terms of the settlement agreement.** Member Barry seconded the motion. The Board approved the motion unanimously by voice vote.

IN RE THE DENIAL OF APPLICATION FOR OCCUPATIONAL LICENSE OF CLAY HOLLAND, NO. OL-01-01 - Based on a thorough review of the record and report of proceedings and evidence before Administrative Law Judge Holzman in the Matter of Clay Holland, GL-01-01, Member Rogal moved that **the Board adopt and issue the proposed final order incorporating the Hearing Officer's Recommended Decision, Findings of**

Fact and Conclusions of Law, as the Board's Final Administrative Decision in this matter.

Member Rogal further moved that **the Board direct the Administrator to provide a copy of the Board's Decision to the parties and the ALJ, and include therein a notice to Mr. Holland of his right to appeal the Board's Decision to the circuit court within 35 days from the date said Decision is served.** Member Barry seconded the motion. The Board approved the motion unanimously by voice vote.

Board Member Comments

Member Rogal commented on the Burden of Proof Rule. Member Rogal stated that the current rule provides that the burden of proof is on the person being disciplined, and that they have to disprove the charge by clear and convincing evidence. Member Rogal stated that he feels that the rule is inappropriate. Member Rogal stated that if government is going to take away someone's livelihood they need to do so only if they can prove the charge. Member Rogal stated that he feels that the Board should change the rule. Member Rogal stated that with the respect to the persons who have been disciplined by the Board, there is no question that the charge was proven; however, for future disciplinary complaints the rule should be changed.

At 3:40 P.M. Pursuant to Section 2 (c), paragraph (11) and (14) of the Open Meetings Act and Section 6(d) of the Riverboat Gambling Act, Member Higginbottom moved that the Board retire to Closed Session to discuss the following items listed under Closed Session on today's agenda and relating to the following subject matters:

1. Emerald Casino Inc. –Litigation;
2. Grand Victoria Casino – Litigation;
3. Philip N. Crusius v. IGB – Litigation;
4. Pending litigation and matters involving probable litigation; and
5. Investigations concerning applicants and licensees.

Member Barry seconded the motion. The Board approved the motion unanimously by voice vote.

The Board adjourned at 5:25 P.M.

Respectfully submitted,
Monica Thomas

Secretary to the Board